ORDER EXHIBIT 1

Blue Granite Water Company

Operating Experience, Rate Base and Rate of Return

Combined Operations - Water and Sewer Service Territory 1 & 2 Docket No. 2019-290-WS

For the Test Year Ended June 30, 2019

Personal P		(1) Application Per	(2) Accounting & Pro Forma		(3) After Accounting & Pro Forma	(4)		(5) After
	<u>Description</u>	Books	Adjustments		Present		_	
Service Revenues Sever	Operating Revenues	\$	\$		\$	\$		\$
Maccollenible Accounts 445,566 409 071,188 071,185 071		11,868,922	280,468	(1)	12,149,390	3,868,333	(40)	16,017,723
							. ,	
Maintenance Expenses								
Salaries and Wages	Uncollectible Accounts	(250,471)	(7,644)	(4)	(258,115)	(89,412)	(43)	(347,527)
Salaris and Wages		22,993,950	781,188		23,775,138	8,443,493	-	32,218,631
Capitalized Time		2 670 783	(1 344 062)	(5)	1 326 721	0		1 326 721
Purclased Fover may Water - Pass Through \$26,67 \$3,786.37 \$0 \$711,660 \$3,445,548 \$40 \$3,645,548 \$40 \$3,046,746 \$40 \$3,046,746 \$40 \$3,046,746 \$40 \$3,046,746 \$40 \$40,039 \$40,049				. ,				
Maintenance and Repair 3,011,412 937,334 69 3,968,746 0 3,968,746 0 140,039 Meter Reading 112,667 (72,815) (11) 30,702 0 30,702 0 20,776 10 20,176 17 17 17 17 17 17 18 17 18 18	•	771,660	0	(7)		0		
Maintenuer Testing				. ,				
Motion Reading 112,667 172,815 111 39,792 0 30,792 10 106,1756 176,1856 111,8674 131 120,311 0 120,311 10 131,504 10 14,814,784 14,814,784	*			. ,				
Chemicals	e e			. /	, , , , , , , , , , , , , , , , , , ,			
Paraspertation	e e			. ,				
Control Mulnitenance Expenses 12,434,022 2,380,762 14,814,784 0 14,814,784	Transportation			. /		0		
Soluties and Wages							_	
Salaries and Wages S71,623 538,807 (14) 1,10,430 0	Total Maintenance Expenses	12,434,022	2,380,762		14,814,784	0	-	14,814,784
Office Supplies & Other Office Exp 1980.731 1.544.724 (15) 416.007 0 416.007 0 315.304 Pension & Other Benefits 779.623 (165.041) (17) 614.582 0 614.582 Rent 97.022 84.393 (18) 181.861 0 181.861 181.861 0 181.861 181.861 0 181.861 181.861 0 181.861 0 181.861 0 181.861 0 181.861 0 181.861 0 181.861 0 181.861 0 181.861 0 181.861 0 0 181.861 0 0 181.861 0 0 181.861 0 0 181.861 0 0 181.861 0 0 181.861 0 0 181.861 0 0 181.861 0 0 0 0 0 0 0 0 0								
Regularoy Commission Exp. 138.293 177.011 (16) 315.304 0 614.852 0 6	•			. /				, -,
Pension & Other Benefits	**			` /				
11.00 11.0					, , , , , , , , , , , , , , , , , , ,			
Office Ulities 491,952 (98,63) (20) 393,318 0 393,718 Omside Services - Other 1,062,984 (188,889) (21) 874,095 0 874,095 Non-Utility Mise Expense 442,691 (442,691) (22) 0 0 0 65,867 Total General Expenses 62,745,433 (1491,885) 458,8158 0 4783,158 Depreciation 1,788,412 1,494,488 (24) 3,282,900 0 3,282,900 Amortization of CIAC (406,510) (538,846) (25) (045,356) 0 (945,356) Income Taxes - Federal (413,984) (455,882) (27) (495,366) 1,675,500 (45) 787,644 Income Taxes - Federal (418,194) (455,882) (27) (487,856) 1,675,500 (45) 787,644 Income Taxes - Federal (483,544) (55,106) (288,746) 1,675,500 (45) 787,644 Valility Property (20,253) 20,253 (29,258) (29,258) <t< td=""><td>Rent</td><td>97,022</td><td>84,839</td><td>(18)</td><td>181,861</td><td>0</td><td></td><td>181,861</td></t<>	Rent	97,022	84,839	(18)	181,861	0		181,861
Duside Services - Other 1,062,984 (188,889) (21) 874,095 0 874,095 0 Mon-Utility Misc Expense 442,691 (424,691) (22) 0 0 0 0 65,867 Total General Expense 6274,543 (1,491,885) 4,783,158 0 4,783,158 Depreciation 1,788,412 1,494,488 (24) 3,282,900 0 3,282,900 Amortization of CIAC (406,519) (538,846) (25) (945,356) 0 (945,356) Taxes Other Than Income 3,499,587 166,467 (26) 3,666,054 44,993 (44) 3,711,047 Income Taxes - Sederal (431,984) (455,882) (27) (887,866) 1,675,500 (45) 787,634 Income Taxes - State (185,161) (5016) (28) (190,177) 419,926 (46) 229,749 Sale of Utility Property (20,253) 20,253 (29) 0 0 (15,713) Total Other Expenses 4,219,524 681,464 4,900,988 2,140,419 7,041,407 Total Other Expenses 4,219,524 681,464 4,900,988 2,140,419 7,041,407 Total Other Expenses 4,219,524 681,464 4,900,988 2,140,419 7,041,407 Total Other Expenses 4,219,525 172,635 (31) 0 0 0 0 Net Docrating Income 65,861 (789,653) (723,792) 6,303,074 5,579,282 Other Expenses 10,3656,698 415,288 (32) 104,071,986 0 0 0 0 Net Income (Loss) For Return 238,496 (962,288) (723,792) 6,387,262 5,663,470 Other Expense 10,3656,698 415,288 (32) 104,071,986 0 104,071				. ,				
Miscellaneous				. ,		-		
Miscellaneous				. ,				
Depreciation	* *			. ,				
Amortization of CIAC (406,510) (538,846) (25) (945,356) 0 (945,356) Taxes Other Than Income 3,499,587 166,467 (26) 3,666,054 44,993 (44) 3,711,047 Income Taxes - Federal (481,984) (455,882) (27) (887,866) 1,675,500 (45) 787,634 Income Taxes - State (185,161) (5016) (28) (190,177) 419,926 (46) 229,749 Amort Livestment Tax Credit (8,854) 0 (8,854) 0 (8,854) Amortization of PAA (15,713) 0 (15,713) 0 (15,713) Total Other Expenses 4,219,524 681,464 4,900,988 2,140,419 7,041,407 Total Operating Expenses 22,928,089 1,570,841 24,498,930 2,140,419 26,639,349 Net Operating Income 65,861 (789,653) (723,792) 6,330,074 5,579,282 Customer Growth 0 0 30 0 84,188 (47) 84,188	Total General Expenses	6,274,543	(1,491,385)	. ,	4,783,158	0	- -	4,783,158
Amortization of CIAC (406,510) (538,846) (25) (945,356) 0 (945,356) Taxes Other Than Income 3,499,587 166,467 (26) 3,666,054 44,993 (44) 3,711,047 Income Taxes - Federal (481,984) (455,882) (27) (887,866) 1,675,500 (45) 787,634 Income Taxes - State (185,161) (5016) (28) (190,177) 419,926 (46) 229,749 Amort Livestment Tax Credit (8,854) 0 (8,854) 0 (8,854) Amortization of PAA (15,713) 0 (15,713) 0 (15,713) Total Other Expenses 4,219,524 681,464 4,900,988 2,140,419 7,041,407 Total Operating Expenses 22,928,089 1,570,841 24,498,930 2,140,419 26,639,349 Net Operating Income 65,861 (789,653) (723,792) 6,330,074 5,579,282 Customer Growth 0 0 30 0 84,188 (47) 84,188	Depreciation	1,788,412	1,494,488	(24)	3,282,900	0		3,282,900
Income Taxes - Federal (431,984) (455,882) (27) (887,866) 1,675,500 (45) 787,634 Income Taxes - State (185,161) (5,016) (28) (190,177) (199,26) (46) (229,749) (20,253) (20,2	•		(538,846)	. /	(945,356)	0		
Income Taxes - State (185,161) (5,016) (28) (190,177) 419,926 (46) 229,749 Sale of Utility Property (20,253) 20,253 (29) 0 0 0 0 Amort, Investment Tax Credit (8,854) 0 (8,854) 0 (8,854) Amortization of PAA (15,713) 0 (15,713) 0 (15,713) Total Other Expenses 4,219,524 681,464 4,900,988 2,140,419 7,041,407 Total Operating Expenses 22,928,089 1,570,841 24,498,930 2,140,419 26,639,349 Net Operating Income 65,861 (789,653) (723,792) 6,303,074 5,579,282 Customer Growth 0 0 (30) 0 84,188 (47) 84,188 Interest During Construction (172,635) 172,635 (31) 0 0 0 0 Net Income (Loss) For Return 238,496 (962,288) (723,792) 6,387,262 5,663,470 Original Cost Rate Base: Gross Plant In Service 103,656,698 415,288 (32) 104,071,986 0 104,071,986 Accumulated Depreciation (16,190,845) 3,337,761 (33) (12,853,084) 0 (12,853,084) Net Plant In Service 87,465,853 3,753,049 91,218,902 0 91,218,902 Deferred Charges 0 4,818,974 4 4,818,974 0 4,818,974 Cash Working Capital 1,680,231 (286,181) (35) 1,394,050 0 1,394,050 Contributions In Aid of Construction (20,300,003) 2,205,788 (36) (8,942,15) 0 (83,22,916) 0 (3,522,916) Customer Deposits (334,350) 0 (334,350) 0 (334,350) Defined Charges (4,157,538) 10,026,984 74,184,522 0 74,184,522 Return on Rate Base 0,37% -0.98% 7,63% Operating Margin -6,91% -11,46% -11,46% -11,46% -11,46%				. /			` /	
Sale of Utility Property (20,253) 20,253 (29) 0 0 0 Amort. Investment Tax Credit (8,854) 0 (8,854) 0 (8,854) Amortization of PAA (15,713) 0 (15,713) 0 (15,713) Total Other Expenses 4,219,524 681,464 4,900,988 2,140,419 7,041,407 Total Operating Expenses 22,928,089 1,570,841 24,498,930 2,140,419 26,639,349 Net Operating Income 65,861 (789,653) (723,792) 6,303,074 5,579,282 Customer Growth 0 0 300 0 84,188 (47) 84,188 Interest During Construction (172,635) 172,635 (31) 0 0 0 0 Net Income (Loss) For Return 238,496 (962,288) (723,792) 6,387,262 5,663,470 Original Cost Rate Base: Gross Plant In Service 103,656,698 415,288 (32) 104,071,986 0 104,071,986 Actual				. /				
Amort. Investment Tax Credit (8,854) 0 (8,854) 0 (8,854) Amortization of PAA (15,713) 0 (15,713) 0 (15,713) Total Other Expenses 4,219,524 681,464 4,900,988 2,140,419 7,041,407 Total Operating Expenses 22,928,089 1,570,841 24,498,930 2,140,419 26,639,349 Net Operating Income 65,861 (789,653) (723,792) 6,303,074 5,579,282 Customer Growth 0 0 30) 0 84,188 (47) 84,188 Interest During Construction (172,635) 172,635 (31) 0 0 0 0 Net Income (Loss) For Return 238,496 (962,288) (723,792) 6,387,262 5,663,470 Original Cost Rate Base: 6 (16,190,845) 3,337,761 (3) (10,4071,986 0 104,071,986 Gross Plant In Service 103,656,698 415,288 (32) 104,071,986 0 104,071,986 Accumulated Depreciation							(46)	,
Total Other Expenses				(2))				
Total Operating Expenses 22,928,089 1,570,841 24,498,930 2,140,419 26,639,349 Net Operating Income 65,861 (789,653) (723,792) 6,303,074 5,579,282 Customer Growth 0 0 300 0 84,188 (47) 84,188 Interest During Construction (172,635) 172,635 (31) 0 0 0 Net Income (Loss) For Return 238,496 (962,288) (723,792) 6,387,262 5,663,470 Original Cost Rate Base: Gross Plant In Service 103,656,698 415,288 (32) 104,071,986 0 104,071,986 Accumulated Depreciation (16,190,845) 3,337,761 (33) (12,853,084) 0 (12,853,084) Net Plant In Service 87,465,853 3,753,049 91,218,902 0 91,218,902 Deferred Charges 0 4,818,974 4 0 4,818,974 Cash Working Capital 1,680,231 (286,181) (35) 1,394,050 0 1,394,050 Contributio	Amortization of PAA		0			0		
Net Operating Income 65,861 (789,653) (723,792) 6,303,074 5,579,282 Customer Growth 0 0 300 0 84,188 (47) 84,188 Interest During Construction (172,635) 172,635 (31) 0 0 0 Net Income (Loss) For Return 238,496 (962,288) (723,792) 6,387,262 5,663,470 Original Cost Rate Base: 103,656,698 415,288 (32) 104,071,986 0 104,071,986 Accumulated Depreciation (16,190,845) 3,337,761 (33) (12,853,084) 0 (12,853,084) Net Plant In Service 87,465,853 3,753,049 91,218,902 0 91,218,902 Deferred Charges 0 4,818,974 (34) 4,818,974 0 4,818,974 Cash Working Capital 1,680,231 (286,181) (35) 1,394,050 0 11,394,050 Contributions In Aid of Construction (20,300,003) 2,205,788 (36) (18,094,215) 0 (35,22,916) 0	Total Other Expenses	4,219,524	681,464		4,900,988	2,140,419		7,041,407
Customer Growth 0 0 (30) 0 84,188 (47) 84,188 Interest During Construction (172,635) 172,635 (31) 0 0 0 Net Income (Loss) For Return 238,496 (962,288) (723,792) 6,387,262 5,663,470 Original Cost Rate Base: Gross Plant In Service 103,656,698 415,288 (32) 104,071,986 0 104,071,986 Accumulated Depreciation (16,190,845) 3,337,761 (33) (12,853,084) 0 (12,853,084) Net Plant In Service 87,465,853 3,753,049 91,218,902 0 91,218,902 Deferred Charges 0 4,818,974 (34) 4,818,974 0 4,818,974 Cash Working Capital 1,680,231 (286,1811) (35) 1,394,050 0 1,394,050 Contributions In Aid of Construction (20,300,003) 2,205,788 (36) (18,094,215) 0 (18,094,215) Accumulated Deferred Income Taxes (3,522,916) 0 (35,222,916) 0	Total Operating Expenses	22,928,089	1,570,841		24,498,930	2,140,419		26,639,349
Net Income (Loss) For Return 238,496 (962,288) (723,792) 6,387,262 5,663,470	Net Operating Income	65,861	(789,653)		(723,792)	6,303,074	_	5,579,282
Net Income (Loss) For Return 238,496 (962,288) (723,792) 6,387,262 5,663,470	Customer Growth	0	0	(30)	0	84,188	(47)	84,188
Original Cost Rate Base: Gross Plant In Service 103,656,698 415,288 (32) 104,071,986 0 104,071,986 Accumulated Depreciation (16,190,845) 3,337,61 (33) (12,853,084) 0 (12,853,084) Net Plant In Service 87,465,853 3,753,049 91,218,902 0 91,218,902 Deferred Charges 0 4,818,974 (34) 4,818,974 0 4,818,974 Cash Working Capital 1,680,231 (286,181) (35) 1,394,050 0 1,394,050 Contributions In Aid of Construction (20,300,003) 2,205,788 (36) (18,094,215) 0 (18,094,215) Accumulated Deferred Income Taxes (3,522,916) 0 (3,522,916) 0 (3,522,916) 0 (3,522,916) 0 (3,522,916) 0 (3,522,916) 0 (334,350) 0 (334,350) 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 <t< td=""><td></td><td>(172,635)</td><td></td><td>. ,</td><td></td><td></td><td>· · · -</td><td></td></t<>		(172,635)		. ,			· · · -	
Gross Plant In Service 103,656,698 415,288 (32) 104,071,986 0 104,071,986 Accumulated Depreciation (16,190,845) 3,337,761 (33) (12,853,084) 0 (12,853,084) Net Plant In Service 87,465,853 3,753,049 91,218,902 0 91,218,902 Deferred Charges 0 4,818,974 (34) 4,818,974 0 4,818,974 Cash Working Capital 1,680,231 (286,181) (35) 1,394,050 0 1,394,050 Contributions In Aid of Construction (20,300,003) 2,205,788 (36) (18,094,215) 0 (18,094,215) Accumulated Deferred Income Taxes (3,522,916) 0 (3,522,916) 0 (3,522,916) 0 (3,522,916) 0 (334,350) 0 (334,350) 0 (334,350) 0 (334,350) 0 (334,350) 0 0 (334,350) 0 (334,350) 0 (831,277) 0 (831,277) 0 (831,277) 0 (831,277) 0 (464,6	Net Income (Loss) For Return	238,496	(962,288)		(723,792)	6,387,262	: =	5,663,470
Accumulated Depreciation (16,190,845) 3,337,761 (33) (12,853,084) 0 (12,853,084) Net Plant In Service 87,465,853 3,753,049 91,218,902 0 91,218,902 Deferred Charges 0 4,818,974 (34) 4,818,974 0 4,818,974 Cash Working Capital 1,680,231 (286,181) (35) 1,394,050 0 1,394,050 Contributions In Aid of Construction (20,300,003) 2,205,788 (36) (18,094,215) 0 (18,094,215) Accumulated Deferred Income Taxes (3,522,916) 0 (3522,916) 0 (3522,916) 0 (3522,916) 0 (3522,916) 0 (334,350) 0 (334,350) 0 (334,350) 0 0 (334,350) 0<	Original Cost Rate Base:							
Net Plant In Service 87,465,853 3,753,049 91,218,902 0 91,218,902 Deferred Charges 0 4,818,974 (34) 4,818,974 0 4,818,974 Cash Working Capital 1,680,231 (286,181) (35) 1,394,050 0 1,394,050 Contributions In Aid of Construction (20,300,003) 2,205,788 (36) (18,094,215) 0 (18,094,215) Accumulated Deferred Income Taxes (3,522,916) 0 (3,522,916) 0 (3522,916) 0 (334,350) 0 (334,350) 0 (334,350) 0 (334,350) 0 (334,350) 0<								
Deferred Charges 0 4,818,974 (34) 4,818,974 (34) 4,818,974 (34) 0 4,818,974 (34) 0 4,818,974 (34) 0 4,818,974 (34) 0 4,818,974 (34) 0 4,818,974 (34) 0 4,818,974 (34) 0 4,818,974 (34) 0 1,394,050 (34),500 (34	*			(33)			-	
Cash Working Capital 1,680,231 (286,181) (35) 1,394,050 0 1,394,050 Contributions In Aid of Construction (20,300,003) 2,205,788 (36) (18,094,215) 0 (18,094,215) Accumulated Deferred Income Taxes (3,522,916) 0 (3,522,916) 0 (3,522,916) 0 (3,522,916) 0 (3,522,916) 0 (334,350) 0 (334,350) 0 (334,350) 0 (334,350) 0 0 334,350) 0 464,646				(34)				
Contributions In Aid of Construction (20,300,003) 2,205,788 (36) (18,094,215) 0 (18,094,215) Accumulated Deferred Income Taxes (3,522,916) 0 (3,522,916) 0 (3,522,916) 0 (3,522,916) 0 (334,350) 0 (334,350) 0 (334,350) 0 (334,350) 0 0 0 334,350) 0								
Customer Deposits (334,350) 0 (334,350) 0 (334,350) Plant Held for Future Use 0 0 (37) 0 0 0 Plant Acquisition Adjustment (831,277) 0 (831,277) 0 (831,277) 0 (831,277) 0 (831,277) 0 (464,646) 0 (464,646) 0 (464,646) 0 (464,646) 0 (464,646) 0 (464,646) 0 74,184,522 0 74,184,522 0 74,184,522 0 7.63% 0 7.63% 0								
Plant Held for Future Use 0 0 (37) 0 0 0 Plant Acquisition Adjustment (831,277) 0 (831,277) 0 (831,277) Excess Book Value 0 (464,646) (38) (464,646) 0 (464,646) Total Rate Base 64,157,538 10,026,984 74,184,522 0 74,184,522 Return on Rate Base 0.37% -0.98% 7.63% Operating Margin -6.91% -11.46% 11.37%								(3,522,916)
Plant Acquisition Adjustment (831,277) 0 (831,277) 0 (831,277) Excess Book Value 0 (464,646) (38) (464,646) 0 (464,646) Total Rate Base 64,157,538 10,026,984 74,184,522 0 74,184,522 Return on Rate Base 0.37% -0.98% 7.63% Operating Margin -6.91% -11.46% 11.37%				(25)				(334,350)
Excess Book Value 0 (464,646) (38) (464,646) 0 (464,646) Total Rate Base 64,157,538 10,026,984 74,184,522 0 74,184,522 Return on Rate Base 0.37% -0.98% 7.63% Operating Margin -6.91% -11.46% 11.37%				(37)				(821 277)
Return on Rate Base 0.37% -0.98% 7.63% Operating Margin -6.91% -11.46% 11.37%				(38)				
Operating Margin -6.91% -11.46% 11.37%	Total Rate Base	64,157,538	10,026,984		74,184,522	0	: =	74,184,522
	Return on Rate Base	0.37%	_		-0.98%		=	7.63%
<u>Interest Expense</u> 1,828,315 173,374 (39) 2,001,689 0 2,001,689	Operating Margin	-6.91%			-11.46%		=	11.37%
	Interest Expense	1,828,315	173,374	(39)	2,001,689	0	· -	2,001,689